

Testimony on Adoption Credit - AB287
Representative, Kathy Bernier
Wed. January 11, 2012

Thank you Mr. Chairman and members of the committee.

I am here to ask your consideration for AB-287 (Adoption Credit)

There are many, many couples that want to adopt and many children who need good homes.

A survey was conducted by The Harris Poll ® in January 2002

Survey statistics overall showed that adoption ...is good for families and for society:

4 in 10 American adults (81.5 million) have considered adoption for their own families

63 percent of all American adults have a very favorable opinion about adoption (seven percentage point increase since measured in 1997)

64 percent have experienced adoption within their own families or among close friends (a six percentage point increase since 1997)

78 percent believe the country should be doing more to encourage adoption .

Respondents also were concerned about the costs of adoption. One in two Americans say that the cost of adoption is a major concern. Adoption cost issues worry almost half of middle income Americans (45 percent) (those earning from \$25,000 to \$99,000) who comprise the majority of American households, as well as over half (52 percent) of lower income Americans. The study noted that at the time there was a \$10,000 Federal tax credit. The Federal tax credit is soon to be reduced to \$5,000 as noted by the Legislative Reference Bureau.

Historically, only couples with more than adequate financial means were the ones to adopt children. I would contend that parents of modest financial means can also provide a loving family environment.

Although there are currently a number of organization that provide scholarships and some financial support for adoptive parents, there can still be a significant financial burden, not to mention the time and energy.

Adoption costs range from \$5,000 to \$40,000, with the exception of Foster Care Adoptions. Foster care adoption is the most frugal way to adopt a child although it is not always the best option for all perspective parents.

The maximum state credit will be \$5,000 to the extent that the expenses exceed the federal credit. The maximum credit that may be claimed each fiscal year by all claimants will be limited to \$500,000. If that amount is exceeded the Department of Revenue will prorate the amount of the credit.

I appreciate your time and consideration for AB 287.

Thank you!

Range of Adoption Costs

Foster Care Adoptions	\$0 - \$2,500
Licensed Private Agency Adoptions	\$5,000 - \$40,000+
Independent Adoptions	\$8,000 - \$40,000+
Facilitated/Unlicensed Adoptions	\$5,000 - \$40,000+
Intercountry Adoptions	\$7,000 - \$30,000

Universal Expenses

Universal expenses are incurred by everyone who adopts a child. (In some cases, they may be offset by reimbursements or other resources.) These expenses include home study expenses and court costs.

parents may incur fees for medical or psychological evaluations that may be required as part of the process. With other types of adoption, the private agency or certified (or licensed) social worker may charge \$1,000 to \$3,000 for the home study. In some cases, the fee for the home study may be included in the overall agency fee. Information about all fees should be provided in writing by the agency or social worker, and prospective parents should ask for such information.

Legal fees. All domestic adoptions and some intercountry adoptions must be finalized in a court in the United States. Some intercountry adoptions are finalized in the child's country of origin. Although not required in these situations, parents often choose also to finalize the placement in a U.S. court to provide additional protection of their child's legal status. All of these procedures incur a cost. The cost for court document preparation can range from \$500 to \$2,000, while the cost for legal representation may range from \$2,500 to \$12,000 or more in some States

Foster care adoption costs: \$0 to \$2,500. Most public agencies in the foster care system place children with special needs only, a category that is defined differently in each State but may refer to children who must be placed with siblings, who are older or in a minority group, or those with disabilities. Up-front fees and expenses may range from \$0 to \$2,500, including attorney's fees and travel expenses. In foster care adoptions, fees often are kept to a minimum or even waived, so that final costs to parents are negligible. In some cases, the child may even be eligible for government subsidy payments (often called adoption assistance), Supplemental Security Income, or Medicaid coverage. (These resources are described at the end of this factsheet.)

Domestic infant adoption costs: \$5,000 to \$40,000. These vary widely according the type of agency used and, sometimes, the individual adoption circumstances. It is important for prospective parents to fully understand what is included in agency and attorney fees. In some cases, the cost of the home study is included, rather than broken out separately. Domestic infant adoptions fall into three general categories, each with its own attendant costs:

Licensed private agency adoption costs: \$5,000 to \$40,000. Costs for this type of adoption include a fee charged by the agency and may include the cost of the home study, birth parent counseling, adoptive parent preparation and training, and social work services involved in matching a child to a prospective family. The fees charged by licensed agencies are generally predictable, and some even have sliding fee scales based on family income. In addition, some agencies may offer reduced fees to prospective parents who locate a birth parent on their own but who need the agency for counseling, facilitation, home study, and supervision services.

Independent adoption costs: \$8,000 to \$40,000 (average is \$10,000-\$15,000). Independent adoptions handled by an attorney generally result in costs that may include medical expenses for the birth mother (as allowed by law), as well as separate legal fees for representing adoptive and birth parents, and any allowable fees for advertising. Additional medical expenses may be required in situations in which there are birth complications.

State laws restrict many of these costs, including any reimbursements to the birth mother. Restrictions may also exist regarding advertisements seeking expectant parents. Where allowed, such advertising expenses may range from \$500 to \$5,000. The Information Gateway publication Statutes-at-a-Glance: Regulation of Adoption Expenses has more information about State laws regulating these types of adoption expenses.

Compared to licensed agency adoptions, the costs of independent adoptions may be less predictable. In addition, costs may not be reimbursable in cases in which a birth mother changes her mind and chooses to parent her child.

Facilitated/unlicensed agency adoption costs: \$5,000 to \$40,000. These costs are generally the same as costs of licensed agencies. However, in States that allow adoptive placements by facilitators these placements are largely unregulated. Prospective parents may have no recourse if the adoption does not proceed as expected.

Intercountry adoption costs: \$7,000 to \$30,000. Agencies that provide intercountry adoption services charge fees that range from \$7,000 to \$30,000. These fees generally include dossier and immigration processing and court costs. In some cases, they may include a required donation to the foreign orphanage or agency. Overall costs may be affected by the type of entity in the foreign country that is responsible for placing the child (e.g., government agency, government orphanage, charitable foundation, attorney, facilitator, or some combination thereof). Many intercountry adoption agencies offer a sliding fee scale.

Depending on the country, there may be additional fees, such as:

- Child foster care (usually in South and Central American adoptions)
- Parents' travel and in-country stay(s) to process the adoption abroad
- Escorting fees, charged when parents do not travel but instead hire escorts to accompany the child on the flight
- Child's medical care and treatment (occasionally in South and Central America)
- Translation fees
- Foreign attorney fees
- Foreign agency fees
- Passport fees
- Visa processing fees and costs of visa medical examination

National Adoption Month dates back to 1976 when Massachusetts Gov. Michael Dukakis supported a rally to promote adoption. In 1984, President Ronald Reagan declared the first National Adoption Week during the month of November. In 1995, President Bill Clinton officially made the entire month of November National Adoption Month.